

Message Text

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ACTION OES-07

INFO OCT-01 NEA-10 ISO-00 ACDA-12 CIAE-00 INR-10 IO-14
L-03 NSAE-00 NSC-05 EB-08 NRC-07 SOE-02 DODE-00
DOE-15 SS-15 SP-02 CEQ-01 AID-05 CEA-01 COME-00
H-02 INT-05 OMB-01 PM-05 ICA-20 STR-07 TRSE-00
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UNCLAS TEHRAN 6332

E.O. 11652:N/A
TAGS: ENRG, TECH, MNUC, PARM, IR
SUBJ: MINISTRY OF ENERGY TAKEOVER OF MAJOR AEOI
RESPONSIBILITIES

REF: TEHRAN 03074

1. FRONT PAGE BANNER HEADLINE ARTICLE IN KAYHAN
INTERNATIONAL ENGLISH LANGUAGE NEWSPAPER OF JUNE 29
IS REPEATED FOR DEPT INFORMATION. TO OUR KNOWLEDGE IT
IS AN ACCURATE REPORT.

2. QUOTE: HEADLINE: NUCLEAR POWER CONTROL SHIFT, BY
BIJAN MOSSAVAR-RAHMANI. IRAN'S ATOMIC ENERGY ORGANISATION
HAS LOST ITS MANDATE TO PLAN, CONSTRUCT AND OPERATE THE
COUNTRY'S NUCLEAR POWER REACTORS TO THE MINISTRY OF ENERGY.
PARAGRAPH. THE MOVE IS EXPECTED TO TRIGGER A REASSESSMENT OF
IRAN'S LARGE SCALE NUCLEAR POWER PROGRAMME, ACCORDING TO
INFORMED SOURCES IN TEHRAN. PARAGRAPH. AEOI, THE COUNTRY'S
FASTEST GROWING BUREAUCRATIC EMPIRE SINCE ITS INCEPTION SOME
FOUR YEARS AGO, MAY ALSO CEDE PART OF ITS RESEARCH AND
DEVELOPMENT RESPONSIBILITIES, ITS URANIUM EXPLORATION
DIVISION AND ITS TRAINING FUNCTIONS TO A NUMBER OF OTHER
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ORGANIZATIONS. PARAGRAPH. AS A RESULT, THE ORGANIZATION
MAY BE REDUCED TO A REGULATORY AUTHORITY RESPONSIBLE ONLY
FOR GENERAL SUPERVISION OF NUCLEAR-RELATED ACTIVITIES,
INCLUDING SAFEGUARDS, PHYSICAL PLANT SECURITY AND RADIATION
PROTECTION. OTHER PRINCIPAL NUCLEAR COUNTRIES HAVE SIMILARLY
SEPARATED REGULATORY WATCHDOG AGENCIES FROM BODIES INVOLVED
IN THE MANAGEMENT AND OPERATION OF THEIR POWER REACTORS.

PARAGARPH. SUCH A SHIFT HAD BEEN POSSIBLE EVER SINCE THE MAJLIS (PARLIAMENT) VOTED TO EXPAND THE MINISTRY OF ENERGY'S CHARTER TO INCLUDE THE CONSTRUCTION AND OPERATION OF NUCLEAR POWER REACTORS. PARAGRAPH. IT HAD REMAINED UNCLEAR, HOWEVER, WHETHER THE MINISTRY WOULD MOVE TO EXERCISE THE OPTION AND, IF SO, WHETHER THE MINISTRY EFFORTS WOULD CONFLICT WITH OR SUPPLEMENT THOSE OF AEOI.THESE QUESTIONS WERE ANSWERED AT THE END OF THIS WEEK'S CABINET MEETING WHEN A SPOKESMAN ANNOUNCED THAT ALL ACTIVITIES RELATED TO NUCLEAR POWER REACTORS WOULD HENCEFORTH BE TRANSFERRED FROM AEOI TO THE MINISTRY AND ALL NECESSARY PREPARATIONS FOR THE MOVE HAD BEEN MADE. PARAGRAPH. NO CLUE WAS GIVEN ABOUT THE ROLE OF AEOI DURING THE TRANSITIONAL PERIOD. PARAGRAPH. "WE STILL DON'T KNOW WHAT ALL THIS MEANS," A HIGH RANKING AEOI OFFICAL SAID LAST NIGHT. PARAGRAPH. IN 1974 IRAN ANNOUNCED PLANS TO INSTALL 23,000 MEGAWATTS OF NUCLEAR POWER CAPACITY WITHIN A 20 YEAR PERIOD AND ENTRUSTED THE TASK TO THE NEWLY FORMED ORGANIZATION HEADED BY DR. AKBAR ETEMAD. PARAGRAPH. TO DATE, FOUR PLANTS WITH A COMBINED CAPACITY OF 4,200 MEGAWATTS HAVE BEEN ORDERED AND ARE PRESENTLY UNDER CONSTRUCTION BY WEST GERMAN AND FRENCH CONCERNS NEAR BUSHEHR AND AHVAZ. NEGOTIATIONS FOR ADDITIONAL PLANTS FROM THESE TWO COUNTRIES AND THE UNITED STATES HAVE ALSO BEEN UNDERWAY FOR SOME TIME. PARAGRAPH. BUT DESPITE THE SPEED AT WHICH THE AEOI HAS MOVED--ANDPERHAPS BECAUSE UNCLASSIFIED

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OF IT--THE ORGANIZATION HAS COME UNDER INCREASING CRITICISM FROM SOME CIRCLES FOR ITS HANDLING OF THE COUNTRY'S NUCLEAR POWER PROGRAMME. PARAGRAPH. AMONG THE CRITICISMS VOICED: THE AEOI HAS NOT DRAWN ON A LARGE POOL OF IRANIAN SPECIALISTS IN OTHER INSTITUTIONS SUCH AS THE UNIVERSITIES, NOR IS IT FULLY UTILIZING ITS OWN EXPERTISE IN DRAWING UP AND EXECUTING PROJECTS; THE ULTIMATE GOAL OF TRANSFERRING NUCLEAR TECHNOLOGY INTO THE COUNTRY CANNOT BE SATISFIED BY PURCHASE OF REACTORS ON A "SUPER TURNKEY" BASIS IN WHICH IRANIANS ARE INVOLVED ONLY NOMINALLY; THE AEOI HAS PAID EXORBITANT SUMS TO FOREIGN CONTRACTORS IN ITS HASTE TO MAKE PURCHASES, INCLUDING WHAT IS VARIOUSLY ESTIMATED AT BETWEEN DOLS 7 TO DOLS 10 BILLION FOR THE FIRST TWO 1,200 MEGAWATT REACTORS; THE GIANT-SIZED REACTORS ORDERED BY THE AEOI ARE NOT TECHNICALLY COMPATIBLE WITH THE LIMITED IRANIAN GENERATION AND TRANSMISSION NETWORK AS SMALLER ONES WOULD HAVE A FAR LESS DISRUPTIVE IMPACT ON THE COUNTRY'S ELECTRICAL SUPPLY IN CASE OF ACCIDENTAL OR RE-LOAD SHUT-DOWNS; AND, FINALLY, THE AEOI HAS NOT MOVED QUICKLY ENOUGH TO REASSESS ITS EARLIER GOALS IN THE LIGHT OF A DRAMATICALLY CHANGING NUCLEAR POWER PICTURE WORLDWIDE. PARAGRAPH.

SEVERAL NON-AEOI EXPERTS HAVE CALLED FOR SUCH A REASSESS-
MENT CITING MUSHROOMING REACOR CONSTRUCTION AND FUEL
COSTS, WHICH MAKE NUCLEAR POWER SUBSTANTIALLY LESS
COMPETITIVE WITH NATURAL GAS AND EVEN CRUDE OIL, INCREASING
DEPENDENCE ON FOREIGN SOURCES OF EQUIPMENT, KNOW-HOW,
SPARE PARTS, TECHNICIANS AND FUEL, HIGH COSTS OF THE
NECESSARY HIGH VOLTAGE TRANSMISSION LINES, GENERAL
SAFETY AND ENVIRONMENTAL HAZARDS OF REACTORS PARTICULARLY
IN HIGH SEISMIC ZONES AND THE BALANCE OF PAYMENTS DIFFI-
CULTIES RESULTING FROM THE LARGE SCALE PURCHASES FROM
ABROAD. UNQUOTE.

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